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UNITED STATES DISTRICT COURT  
FOR THE CENTRAL DISTRICT OF CALIFORNIA

ADIRONDACK INSURANCE  
EXCHANGE;  
ALLSTATE COUNTY MUTUAL  
INSURANCE COMPANY;  
ALLSTATE FIRE AND CASUALTY  
INSURANCE COMPANY;  
ALLSTATE INDEMNITY  
COMPANY;  
ALLSTATE INSURANCE  
COMPANY;  
ALLSTATE NEW JERSEY  
INSURANCE COMPANY;  
ALLSTATE NEW JERSEY  
PROPERTY AND CASUALTY  
INSURANCE COMPANY;  
ALLSTATE NORTHBROOK  
INDEMNITY COMPANY;  
ALLSTATE PROPERTY AND  
CASUALTY INSURANCE  
COMPANY;  
CENTURY NATIONAL  
INSURANCE COMPANY;  
DIRECT GENERAL INSURANCE  
COMPANY;  
DIRECT GENERAL INSURANCE  
COMPANY OF NEW JERSEY;  
DIRECT INSURANCE COMPANY;  
ENCOMPASS HOME AND AUTO  
INSURANCE COMPANY;  
ENCOMPASS INDEMNITY  
COMPANY;  
ENCOMPASS PROPERTY AND  
CASUALTY INSURANCE  
COMPANY OF NEW JERSEY;

Case No. 8:24-cv-01134-JWH-MRW  
Case No. 8:24-cv-01139-JWH-AGR

**ORDER GRANTING PLAINTIFFS'  
MOTIONS TO REMAND CASES  
TO ORANGE COUNTY  
SUPERIOR COURT**

O

1 ESURANCE INSURANCE  
2 COMPANY;  
3 ESURANCE INSURANCE  
4 COMPANY OF NEW JERSEY;  
5 ESURANCE PROPERTY AND  
6 CASUALTY INSURANCE  
7 COMPANY;  
8 IMPERIAL FIRE AND CASUALTY  
9 INSURANCE COMPANY;  
10 INTEGON GENERAL INSURANCE  
11 CORPORATION;  
12 INTEGON INDEMNITY  
13 CORPORATION;  
14 INTEGON NATIONAL  
15 INSURANCE COMPANY;  
16 INTEGON PREFERRED  
17 INSURANCE COMPANY;  
18 MIC GENERAL INSURANCE  
19 CORPORATION;  
20 NATIONAL GENERAL  
21 INSURANCE COMPANY;  
22 NATIONAL GENERAL  
23 INSURANCE ONLINE, INC.;  
24 NEW SOUTH INSURANCE  
25 COMPANY;  
26 PERSONAL EXPRESS INSURANCE  
27 SERVICES, INC.;  
28 QBE INSURANCE CORPORATION;  
SAFE AUTO INSURANCE  
COMPANY; and  
STANDARD PROPERTY AND  
CASUALTY INSURANCE  
COMPANY,

18 Plaintiffs,

19 v.

20 KIA CORPORATION,  
21 HYUNDAI MOTOR AMERICA,  
22 HYUNDAI MOTOR COMPANY, and  
23 KIA AMERICA, INC.,

24 Defendants.

25 NEW JERSEY MANUFACTURERS  
26 INSURANCE COMPANY,

27 Plaintiff,

28 v.

HYUNDAI MOTOR AMERICA,  
HYUNDAI MOTOR COMPANY,  
KIA AMERICA, INC., and

1 KIA CORPORATION,

2 Defendants.

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1 Before the Court are the two nearly identical motions<sup>1</sup> filed by Plaintiffs in  
2 the above-captioned related cases<sup>2</sup> to remand these actions to Orange County  
3 Superior Court. Defendants Hyundai Motor America; Hyundai Motor  
4 Company; Kia America, Inc.; and Kia Corporation—the same Defendants in  
5 each case—removed each case from Orange County Superior Court to this  
6 Court pursuant to the doctrine of “snap removal,” which requires some  
7 explanation.

8 After a plaintiff files a case in state court, a defendant may remove that  
9 case to federal court pursuant to, among other jurisdictional doctrines, diversity  
10 jurisdiction. *See* 28 U.S.C. § 1332 (stating that district courts “have original

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11 <sup>1</sup> See Mot. to Remand [ECF No. 18 in Case No. 8:24-cv-01134-JWH-MRW  
12 (the “Adirondack Case”)]; Mot. to Remand [ECF No. 19 in Case  
13 No. 8:24-cv-01139-JWH-AGR (the “New Jersey Manufacturers Case”)] (jointly,  
14 the “Motions”); *see also* Notice of Related Case(s) [ECF No. 4 in each case].

15 <sup>2</sup> Plaintiffs in the *Adirondack Case* are Adirondack Insurance Exchange;  
16 Allstate County Mutual Insurance Company; Allstate Fire And Casualty  
17 Insurance Company; Allstate Indemnity Company; Allstate Insurance  
18 Company; Allstate New Jersey Insurance Company; Allstate New Jersey  
19 Property And Casualty Insurance Company; Allstate Northbrook Indemnity  
20 Company; Allstate Property and Casualty Insurance Company; Centurynational  
21 Insurance Company; Direct General Insurance Company; Direct General  
22 Insurance Company of New Jersey; Direct Insurance Company; Encompass  
23 Home and Auto Insurance Company; Encompass Indemnity Company;  
24 Encompass Property and Casualty Insurance Company of New Jersey; Esurance  
25 Insurance Company; Esurance Insurance Company of New Jersey; Esurance  
26 Property and Casualty Insurance Company; Imperial Fire and Casualty  
27 Insurance Company; Integon General Insurance Corporation; Integon  
28 Indemnity Corporation; Integon National Insurance Company; Integon  
Preferred Insurance Company; MIC General Insurance Corporation; National  
General Insurance Company; National General Insurance Online, Inc.; New  
South Insurance Company; Personal Express Insurance Services, Inc.; QBE  
Insurance Corporation; Safe Auto Insurance Company; and Standard Property  
and Casualty Insurance Company. Plaintiff in the *New Jersey Manufacturers*  
Case is New Jersey Manufacturers Insurance Company.

1 jurisdiction of all civil actions where the matter in controversy exceeds the sum  
2 or value of \$75,000, exclusive of interest and costs, and is between . . . citizens of  
3 different states”). But, even if the parties are diverse, a defendant who is a  
4 citizen of the state in which the action is filed may not remove that action to  
5 federal court. *See* 28 U.S.C. § 1441(b); *Lively v. Wild Oats Markets, Inc.*, 456  
6 F.3d 933, 939 (9th Cir. 2006) (“Separate and apart from the statute conferring  
7 diversity jurisdiction, 28 U.S.C. § 1332, § 1441(b) confines removal on the basis  
8 of diversity jurisdiction to instances where no defendant is a citizen of the forum  
9 state.”). That limitation on a defendant’s right to remove a case is known as the  
10 “forum defendant rule.” *Id.*

11 Some courts allow a defendant who is a citizen of the state in which the case was filed to circumvent the forum defendant rule by removing the action to  
12 federal court *before* that defendant is formally served—a process commonly  
13 known as “snap removal.”<sup>3</sup> This potential loophole exists because the statute  
14 that establishes the forum defendant rule explicitly prohibits a non-diverse  
15 defendant who has been “properly joined *and served*” from removing the case  
16 based upon diversity jurisdiction. 28 U.S.C. § 1441(b)(2) (“A civil action  
17 otherwise removable solely on the basis of the jurisdiction under section 1332(a)  
18 of this title may not be removed if any of the parties in interest properly joined  
19 *and served* as defendants is a citizen of the State in which such action is  
20 brought.”) (emphasis added).

21 Here, Plaintiffs assert that the forum defendant rule bars removal of the cases because Defendants Hyundai Motor America and Kia America, Inc. are  
22 citizens of California; Plaintiffs argue that the Court should not accept snap removal as a justification for skirting the forum defendant rule.<sup>4</sup>

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27 <sup>3</sup> *See* Notice of Removal [ECF No. 1 in each case].

28 <sup>4</sup> *See generally* Motions.

1       A circuit split exists regarding the acceptability of snap removal, and to  
2 date the Ninth Circuit has explicitly declined to rule on the issue. *See, e.g.*,  
3 *Casola v. Dexcom, Inc.*, 98 F.4th 947, 964-65 (9th Cir. 2024) (explicitly not  
4 resolving the issue in the Ninth Circuit but determining that a forum defendant  
5 cannot remove the action before it is even filed in state court). In the absence of  
6 binding authority, based upon its exhaustive review of recent caselaw, this Court  
7 chooses to reject snap removal.<sup>5</sup> Indeed, another court in this District recently  
8 remanded four other cases that Defendants in this case list as related. *See Allied*  
9 *Property and Casualty Insurance Company v. Hyundai Motor America; Alliance*

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11       <sup>5</sup> In the following 16 cases, the Court rejected snap removal and remanded  
12 the action: *Allied Property and Casualty Insurance Company et al v. Hyundai Motor*  
13 *America et al*, *Alliance United Insurance Company et al v. Hyundai Motor America*  
14 *et al*, *Erie Insurance Company et al v. Hyundai Motor America et al*, and *Country*  
15 *Casualty Insurance Company et al v. Hyundai Motor America et al* (combined  
cases), 2024 WL 3495340 (C.D. Cal. July 22, 2024); *Badger v. Inari Med., Inc.*,  
16 2024 WL 3276202 (C.D. Cal. July 1, 2024); *Hershey v. Lab'y Corp. of Am.*  
17 *Holdings*, 2024 WL 2958947 (C.D. Cal. June 11, 2024); *Ebadat v. Philly Auto Inc.*,  
18 2024 WL 2732233 (C.D. Cal. May 28, 2024); *U.S. Bank Nat'l Ass'n v. Pac. Life*  
19 *Ins. Co.*, 2023 WL 8890832 (C.D. Cal. Dec. 21, 2023); *Stevenson v. Apyx Med.*  
20 *Corp.*, 2023 WL 6387307 (C.D. Cal. Sept. 29, 2023); *Parra v. Citizens Telecom*  
21 *Servs. Co. LLC*, 2023 WL 5044925 (C.D. Cal. Aug. 7, 2023); *Menchaca v.*  
22 *Howmet Aerospace, Inc.*, 2023 WL 2504995 (C.D. Cal. Mar. 14, 2023); *Guillen v.*  
23 *Vie De France Yamazaki, Inc.*, 2022 WL 3211219 (C.D. Cal. Aug. 9, 2022); *Ross*  
24 *v. United Airlines, Inc.*, 2022 WL 1302680 (C.D. Cal. Apr. 30, 2022); *La Bella v.*  
25 *Bamboo IDE8 Ins. Servs.*, 2022 WL 1045968 (C.D. Cal. Apr. 7, 2022);  
26 *Woolfenden v. Target Corp.*, 2021 WL 6618635 (C.D. Cal. Nov. 16, 2021); and  
27 *Gralnik v. DXC Tech., Inc.*, 2021 WL 5203333 (C.D. Cal. Nov. 8, 2021). In the  
28 following six cases, the Court accepted snap removal: *Zalvin v. Carrel*, 2024 WL  
1121790 (C.D. Cal. Mar. 14, 2024); *Kornfeind v. Kia Am., Inc.*, 2023 WL 8456111  
(C.D. Cal. Dec. 6, 2023); *Lawton v. Hyundai Motor Am., Inc.*, 2023 WL 8018100  
(C.D. Cal. Nov. 20, 2023); *Harrison v. Sonesta Int'l Hotels Corp.*, 2023 WL  
5351873 (C.D. Cal. Aug. 18, 2023); *Hong Kong Cont'l Trade Co. Ltd. v. Nat.*  
*Balance Pet Foods, Inc.*, 2023 WL 2664246 (C.D. Cal. Mar. 28, 2023); and *Choi v.*  
*Gen. Motors LLC*, 2021 WL 4133735 (C.D. Cal. Sept. 9, 2021).

1     *United Insurance Company v. Hyundai Motor America; Erie Insurance Company v.*  
2     *Hyundai Motor America; and Country Casualty Insurance Company v. Hyundai*  
3     *Motor America* (combined cases), 2024 WL 3495340 (C.D. Cal. July 22, 2024).  
4     Moreover, in the context of class actions, the Ninth Circuit appears to have  
5     rejected the analog of snap removal under the Class Action Fairness Act. *See*  
6     *generally Singh v. Am. Honda Fin. Corp.*, 925 F.3d 1053 (9th Cir. 2019).

7              Defendants invite the Court's attention to supplemental authority—  
8     *Mayes v. Am. Hallmark Ins. Co. of Texas*, 2024 WL 3894306 (9th Cir. Aug. 22,  
9     2024)—in support of their argument that this Court should deny Plaintiffs'  
10    instant Motions and accept snap removal.<sup>6</sup> Defendants contend that remand is  
11    improper because in *Mayes*, the Ninth Circuit affirmed that a defendant may  
12    remove a case when the defendant becomes aware of the complaint but has not  
13    yet been served.<sup>7</sup> *See id.* at \*2-\*3. But *Mayes* did not deal with snap removal  
14    because the removing defendant, American Hallmark Insurance Company of  
15    Texas, was diverse from the plaintiff, a resident of Oregon. *See Mayes v. Am.*  
16    *Hallmark Ins. Co. of Texas*, 2021 WL 6127887, at \*1 (D. Or. Nov. 15, 2021).  
17    Therefore, *Mayes* does not alter the Court's conclusion with respect to the  
18    impropriety of snap removal.

19              For the foregoing reasons, the Court hereby **ORDERS** as follows:

20              1. Plaintiffs' instant Motions to remand are **GRANTED**.

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26              <sup>6</sup> Notice of Suppl. Authority [ECF No. 38 in the *Adirondack* Case and ECF  
27              No. 39 in the *New Jersey Manufacturers* Case].

28              <sup>7</sup> *See generally id.*

1           2. These two actions are **REMANDED** to Orange County Superior  
2 Court.

3           **IT IS SO ORDERED.**

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5           Dated: September 16, 2024

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John W. Holcomb  
UNITED STATES DISTRICT JUDGE